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ABSTRACT

This booklet is intended to help local workforce investment boards (WIBs) frame ongoing discussions in their communities about workforce needs and how to meet those needs. The booklet begins by explaining why the United States needs a new workforce system. The following new leadership roles for WIBs are discussed: (1) articulate changing workplace needs; (2) shape a market-driven vision; (3) build a comprehensive system; (4) provide effective leadership; and (5) launch aggressive outreach. The following critical characteristics of workforce development systems that are valued by business are defined: market driven; comprehensive; portable; accountable; customer focused; responsive; flexible; and customized. The following roles of boards in aligning public systems with the marketplace are detailed: (1) continuously define changing business requirements; (2) identify specific industry trends and skill requirements; and (3) set high standards for education and training providers. Presented next are specific strategies for enhancing WIB accountability to marketplace standards for training and competencies. The final section explains the rationale behind the following steps in the process of building WIBs' credibility with employers: (1) buy into the business community's vision for the new workforce system; (2) commit to systemic change; (3) focus on results; and (4) ensure a quality product. (MN)

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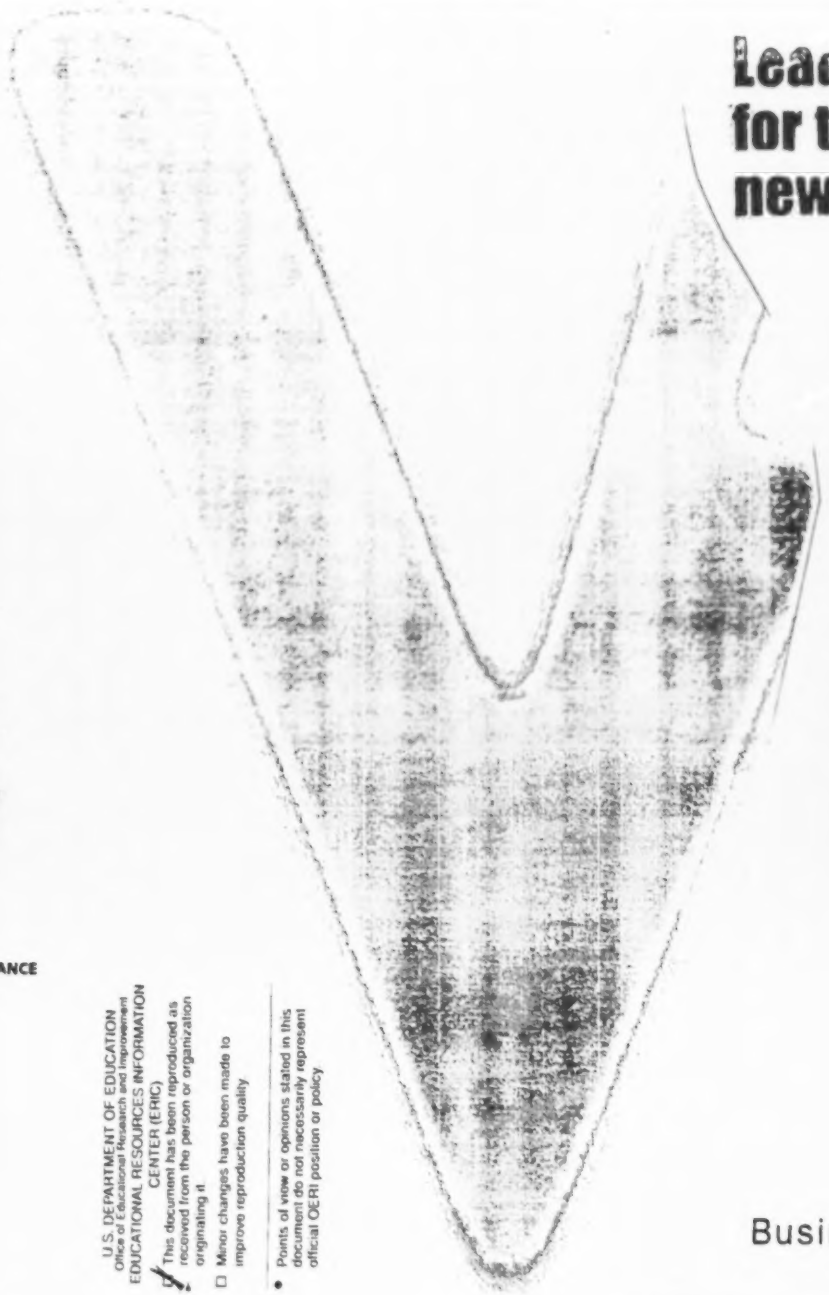
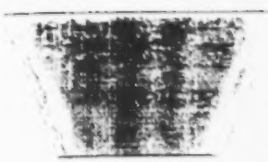
Leadership for the new economy

New roles and responsibilities of **workforce boards**





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New roles and responsibilities of **workforce boards**

The Center for Workforce Preparation, an affiliate of the U.S. Chamber of Commerce, in collaboration with the Business Coalition for Workforce Development, hosted a satellite town hall meeting on "New Roles and Responsibilities of Workforce Boards."

Local chambers, workforce board members and other community stakeholders heard from a panel of experts and then discussed a topic critical to the formation of workforce development systems under the Workforce Investment Act.

This booklet contains the background material developed for this town hall meeting. Five themes were addressed; each focused on how business can truly be a driver of the new workforce development systems, while at the same time be recognized as one of two customers of the system.

This booklet has broad application and contains useful information on elements of effective workforce systems. Use this information to help frame ongoing discussions in your community about workforce needs and how to meet those challenges.

Change

Why do we need a new workforce investment system?

Many factors have created the need for a new workforce system in our country:

The world is changing. Advanced technology, globalization of work and the shift to a knowledge-based economy are fundamentally altering the way teaching and learning take place. The escalating rate of change is affecting all institutions, forcing them to reinvent themselves in response to the demands of the dynamic economy. This change is permanent and ongoing, continuously driving knowledge and skill requirements.

Business is the new customer. Historically, education and training providers have focused on individuals as the primary customers. In the new economy, institutions recognize they can't serve individuals effectively unless their programs and services are demand driven — shaped by business requirements and benchmarked to business standards.

A systems approach is essential. The targeted program model of the past is not flexible enough to keep pace with the changes required in the new marketplace, nor comprehensive enough to address the wide variety of needs of today's job seekers and business customers. A workforce system that links together a vast network of resources and is market driven can be flexible and responsive — able to react quickly to shifting business requirements.

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Collaboration is key to success. In today's environment, no one institution, organization or business can effectively address the range of workforce issues in the community. The systems approach promotes collaboration, leverages resources across a spectrum of public and private groups, and requires a range of institutional expertise.

Public and private agendas are aligned. Based on significant input from business, new federal legislation was shaped to reflect business values — focus on outcomes, standards for customer satisfaction and a requirement to make performance results public. This new public policy is not a top-down mandate, but rather a framework and set of tools for creative community-based problem solving that is market driven.

Local communities can use the framework and tools to:

- Engage a variety of business leaders in designing a market-driven system;
- Significantly rethink and reform how they provide a skilled workforce;
- Define the scope of workforce investment for youth and adults;
- Move beyond programs to a system of workforce development;
- Provide quality services to job seekers, incumbent workers and employers;
- Link qualified workers with real jobs and career opportunities;
- Leverage public funding toward critical community-based workforce issues; and
- Align training to regional business needs.

Leadership

New leadership roles for **workforce boards**

As they begin planning the local workforce system, workforce boards assume critical leadership roles. Boards can capture this opportunity and promote change as they:

Articulate changing workplace needs. To be effective, new workforce systems must be shaped by the needs of the marketplace. Workforce boards must keep their fingers on the pulse of the local economy and clearly articulate ever-changing business needs. Boards can perform this role by convening industry-specific groups to identify occupational skill needs and general business organizations to discuss basic or employment skill requirements.

Shape a market-driven vision. Based on the marketplace needs, boards will have to fashion a bold vision for what the new system will look like and how it will work. All stakeholders need a clear picture of how individuals, companies, institutions and communities will benefit by adopting a market-driven approach.

Stakeholder input: how it can play out

- Employer focus groups
- Business management groups for one-stop oversight
- Roundtable discussions with state and local officials
- Workforce task forces that include business and educators
- Seats on workforce investment boards for chamber

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Leadership

Build a comprehensive system. Workforce boards are no longer about responsible management of targeted federal programs. Their mission is the effective design and implementation of a comprehensive workforce investment system — a network — that adds value for job seekers, incumbent workers and employers.

Provide effective leadership. Effective boards form strategic alliances, negotiate relationships and broker resources to ensure a comprehensive workforce system. They "think big" and consider the totality of resources. Public and private, they are available to address priority workforce issues in their communities. Boards provide effective, neutral leadership in aligning the work of various agencies and institutions toward common goals.

Launch aggressive outreach. To make sure the workforce system stays up-to-date, boards reach into the community and involve a broad cross section of employers on an ongoing basis — beyond individual business members on the board. Effective strategies include:

- Conducting regular consultation sessions with key business organizations, trade associations and/or professional organizations in the community;
- Recruiting a broad cross section of employers to serve on board committees; and
- Involving employers in the actual operation of one-stop centers.

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Critical characteristics

Shaping systems to reflect characteristics valued by business

Community leaders across the country are designing workforce systems that contain critical characteristics valued by business customers. Systems must be:

Market driven. The system must be driven by the demands of the dynamic marketplace and based on the ever-changing requirements of the workplace.

Comprehensive. The keystone of the new system is the one-stop service center — physical and virtual centers where federal, state and local workforce services can be consolidated.

Portable. Individuals can use training vouchers to select education and training providers with proven track records in areas of their career interests.

Accountable. The system is based on clear, measurable indicators of success. Training providers must meet or exceed board requirements — and results are made public.

Customer focused. Customer satisfaction is a specific indicator of success, as measured by the quality, relevance and responsiveness of services.

Responsive. The new system is designed for continuous improvement, based on built-in performance and customer-satisfaction measures.

Flexible. Demand-driven systems tailor services to meet a community's unique needs. Changes are made regularly to respond quickly to a rapidly changing environment.

Customized. Recruitment and training strategies can be tailored to meet the individual employer's needs.

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Aligning public systems

Role of boards in

aligning public systems with the marketplace

In a demand-driven workforce system, all critical activities are aligned:

- → Market demands drive business skill requirements.
- → Business skill requirements drive education and training standards and curricula.
- → Competent individuals satisfy market demands and business requirements.

Fostering this alignment is one of the primary roles of workforce boards. There are several steps boards can take to assist in this complex, critical alignment process.

Continuously define changing business requirements. Develop mechanisms to reach out to business organizations, trade associations, unions, professional associations and others in the community on a regular basis. Obtain information from a wide variety of employers regarding the changing workplace requirements in your community.

Identify specific industry trends and skill requirements. Establish committees on specific industries to advise the board on trends and skill requirements.

Set high standards for education and training providers. The board should approve or certify only those providers that produce results and meet high standards. It should also require education and training content to align with local business requirements, allowing graduating workers to earn certificates of competency.

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Accountability

Accountability to **marketplace standards for training and competencies**

Workforce boards are responsible for producing results that matter. Three specific strategies are designed to enhance accountability:

1 New standards for employer satisfaction and continuous improvement require workforce boards to:

- Set standards for quality, relevance and responsiveness based on local business requirements;
- Set up mechanisms to collect feedback on the performance of both the system and individual providers against the established standards; and
- Ensure that steps are taken to integrate feedback into a continuous improvement process.

2 Performance of training providers is disclosed publicly.

One-stop centers should make public the performance records of individual training providers, including completion rates, placement rates and costs for training, for the benefit of job seekers and employers.

3 Overall system performance is based on specific measurable outcomes,

including job placements, retention in jobs, earnings gains and acquired skills. Sanctions are imposed for poor performance.

There are no presumptive education and training providers in the new workforce system. Only those that meet standards and produce results can provide service.

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Credibility

Building credibility with **employers**

Business is the primary customer of the new workforce system. For communities to build credibility with business customers, workforce boards must:

- Buy into the vision;
- Commit to systemic change;
- Focus on results; and
- Ensure a quality product.

Buy into the vision. The business community has to support and promote the vision for the new workforce system developed by the local workforce board. That is why it is so critical to get broad-based input from business in shaping the local workforce vision and plan.

Commit to systemic change. Employers need more than incremental change from current practice. Efforts must be bold in focus and broad in scope. Employers need to understand that they have an opportunity to make a real change in the way people are educated and trained in their community — and create the framework for making it happen.

Focus on results. Business is outcome — not process — oriented. Business leaders want to see a bold vision tied to a clear plan with measurable results. Stress measures of accountability, including standards for overall system performance and for the performance of individual training providers.

Ensure a quality product. Employers want a workforce system that produces the right workers with the right skills at the right time. New standards for employer satisfaction and processes for continuous improvement will help guarantee that those business requirements for quality, relevance and responsiveness are met.

If these steps are taken to build credibility, employers will participate. As one employer stated: **"Build it — according to business specifications — and they will come!"**

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To learn more — start today!

Go to the Business Coalition for Workforce Development Web site at www.workforceinfo.net to access detailed information about state and local contacts, workforce systems in your community, local implementation, and federal policies.

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